



## Presentation to the 2011 Health and Human Services Joint Appropriations Subcommittee

### **SENIOR AND LONG TERM CARE DIVISION**

Medicaid and Health Services Branch  
Department of Public Health and Human Services

Reference:

Legislative Fiscal Division budget Analysis, Volume 4 Section B, Pages B-254 – B-291

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### **OVERVIEW**

The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The Division reflects recognition of the increasing importance of long term care services and planning in light of the aging populations and the increasing number of younger people living with severe disabilities. The Division manages payments to Medicaid funded nursing facilities and Medicaid funded home and community long term care programs, provides nursing facility services in two state veterans nursing homes, manages programs for senior citizens under the federal older Americans act, provides adult protective services to vulnerable senior citizens and people with disabilities; manages the state supplement to federal SSI payments system and plans for and educates the public about long term care issues and services and addresses aging related issues.

The Division is charged with serving three key groups of people: 1. Senior citizens who are in need of or who are planning for long term care; 2. People with serious disabilities who are in need of long term

care and who are not developmentally disabled; and 3. Baby Boomers who are helping their parents as they age or planning to meet their own long term care needs in the future.

## SUMMARY OF MAJOR FUNCTIONS

### AGING SERVICES

Of the approximately 179,750 people in Montana age 60 and over, the aging network provided services to over 42,005 senior citizens in FY2010. The **Office on Aging** develops the state plan on aging and approves service delivery plans and programs developed by 10 Area Agencies on Aging located across Montana. Among the services provided by the Area Agencies are senior centers, home delivered meals, health services, transportation, public education, information and assistance, long-term care ombudsman and other services.

- Aging Services expenditures of state and federal funds for these services were \$12.6 million in 2010. The funding for these services is made up of federal Older Americans Act funds, state general funds, USDA commodities, Cash-in-Lieu of commodities, local matching funds, participant contributions and other resources. The matching program rate is 85% federal funds and 15% state/local match.
- **Home Delivered Meals or Meals on Wheels** target those seniors who are unable to get to meal sites for a congregate meal. The vast majority of home delivered meals are served hot, but they can be delivered cold, frozen, dried, canned or as supplemental foods. Meals must comply with the Dietary Guidelines for Americans. Each site determines the frequency of meals served per week. In 2010 there were 656,585 meals delivered to about 7,100 persons all across Montana by 137 home delivered meal providers.
- **Congregate Meals Program** sites are mostly senior centers, although churches, fraternal organizations, nursing homes, and restaurants can also serve as meal sites. Meals must comply with the Dietary Guidelines for Americans. Each site determines the frequency of meals served per week. 1,188,002 congregate meals were served to about 24,835 persons in 2010 through 173 congregate meal sites.
- **USDA Community Supplemental Food Program** provides food to elders 60 years of age and over and WIC families with children age 5 to 6 years old. It provides a 30 pound box of food per month. Elders must meet income requirements - 130% of federal poverty level eligibility guidelines - \$1,173 for one and \$1,578 for a couple.
- **Long-Term Care Ombudsman** is the advocate for all residents of long-term care facilities (mainly nursing facilities and adult residential homes). Ombudsmen act as access points for consumers by providing information or direct assistance regarding concerns about the health, safety and rights of residents. Ombudsman made over 3898 visits to long term care facilities, responded to 932 complaints and provided 1828 consultations to persons requesting assistance in federal fiscal year 2009. Services are provided at the local level by 32 Local Ombudsman, 2 Volunteer Certified Ombudsman, 4 full-time Regional Ombudsman (4 FTE) and two Friendly Visitor volunteers. These individuals are hired and directly supervised by local Area Agencies on Aging or the County Councils on Aging. All Ombudsmen are certified and receive training on federal and state regulations, resident rights information as well as techniques for complaint investigation and resolution. Ombudsmen personnel visit their assigned facilities regularly (usually at least once a month).
- **State Health Insurance Assistance (SHIP) Program** is a statewide source of program information for beneficiaries of Medicare, Medicaid, Medicare supplemental policies, long-term

care insurance and other health insurance benefits. Over 125 local counselors have increased the distribution of Medicare and Medicaid education and information to individuals and groups; have developed educational seminars and outreach.

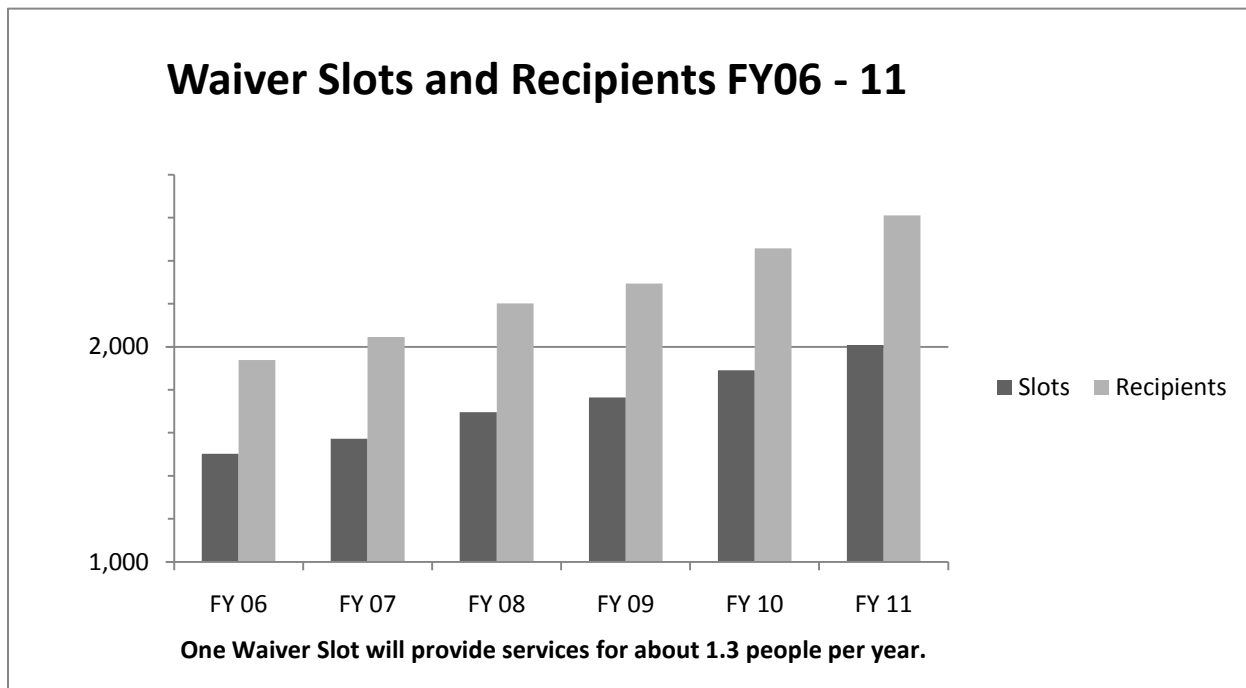
- **Information, Assistance and Referral Program** is a service designed to link Montana's seniors, their family members and caregivers with needed services. There are 90 I&A Technicians statewide who work through Area Agencies to provide information about services, make proper referrals, and do public education and outreach work within their communities.
- **Elderly Legal Assistance Program** provides training to senior citizens, family members and others on elder law. The program develops pro-bono and reduced fee legal services at the local level, makes referrals, conducts workshops on wills, living wills, power of attorney, guardianships, conservatorships, etc., and provides telephone assistance to senior citizens on legal questions.

### **COMMUNITY SERVICES -WAIVER**

Some individuals in need of long-term care services choose to remain in their own homes or select other community options to meet their needs. The Medicaid Community Services Program pays for in-home, assisted living, and other community-based services, such as the home and community based services waiver, to Medicaid-eligible individuals as an alternative to nursing facility care. Consequently, the Home and Community Based Services (HCBS) program, often referred to as the Medicaid Waiver, offers Medicaid recipients a number of choices. During fiscal year 2010 more than 2400 people accessed services through the Waiver program.

- Home and Community Based Services are individually prescribed and arranged according to the needs of the recipient. An individual service plan is developed by a case management team in conjunction with the recipient. The service plan must meet the needs of the recipient and be cost effective. It is reviewed at least every 6 months and revised when the recipient's condition changes.
- To be eligible for the HCBS program an individual must be elderly or disabled, Medicaid eligible, and require nursing facility or hospital level of care.
- Services available to recipients include case management, homemaker, personal care, adult day care, respite, habilitation, medical alert monitor, meals, transportation, environmental modification, respiratory therapy, nursing services, adult residential care provided in a personal care or assisted living facility, or adult foster home, as well as a number of specialized services for recipients with a traumatic brain injury.
- The Department contracts with 20 agencies to provide case management services to individuals in the Wavier. Case management teams are headquartered in Missoula (3), Billings, Great Falls (3), Helena (2), Bozeman, Sidney, Miles City, Kalispell (2), Butte (2), Lewistown, Roundup, Polson and Havre.
- Home and Community Based Services are also available under the Big Sky Bonanza (BSB) Waiver. This waiver was developed through a grant from the Centers for Medicare & Medicaid Services (CMS) and was implemented in 2006. The BSB Waiver allows more flexibility for the consumer to manage their own budget and services and allows family members to receive reimbursement for providing certain services to minor children and spouses. The BSB Waiver is currently available in forty-one counties and serves 24 individuals. SLTC staff is planning to expand this waiver to the remainder of the state by the end of 2011.

- Unlike most Medicaid programs, HCBS services are not entitlement programs. Access is limited by the amount of funding available and appropriated by the legislature. When the funds are committed, eligible people wait until more money is appropriated or until an opening occurs through attrition. Expenditures of state and federal funds were \$36 million in fiscal year 2010.
- Average length of stay on the waiver waiting list was reduced from 179 days in 2008 to 126 days in 2009 and is at 132 days in fiscal year 2010. Currently 477 people are waiting for services.



## Waiver Summary

### FY 06 - FY 11

|       | Previous FY Slots | Expansion | NF Transition | Adjusted Count (At Risk AR & CC3) | *Total Slots | Total Recipients |
|-------|-------------------|-----------|---------------|-----------------------------------|--------------|------------------|
| FY 06 | 1443              | 45        | 15            |                                   | 1503         | 1938             |
| FY 07 | 1503              | 56        | 14            |                                   | 1573         | 2046             |
| FY 08 | 1573              | 79        | 44            |                                   | 1696         | 2205             |
| FY 09 | 1696              | 23        | 46            |                                   | 1765         | 2290             |
| FY10  | 1765              | 80        | 38            | 7                                 | 1890         | 2457             |
| FY 11 | 1890              | 0         | 0             | 1                                 | 1891         | 2458             |

\* - Total Slots includes BSB Waiver slots.

## **PERSONAL ASSISTANCE**

The goal of the Personal Assistance Services program is to prevent or delay institutionalization by providing medically necessary maintenance or supportive care in the home. Montana has provided Medicaid Personal Assistance Services since the late 1970's. In FY2010, more than 3,200 people received personal assistance services across Montana at a total cost of \$40.6 million. As an entitlement program, there are no restrictions based on age or disability, rather services are authorized based on functional limitations resulting from a discernable diagnosis.

- Personal Assistance Services consists of medically necessary in-home services provided to Medicaid recipients whose health problems cause them to be functionally limited in performing activities of daily living. These services include activities related to a recipient's physical health and personal hygiene, such as bathing, transferring, feeding, grooming, toileting, medications reminders, limited homemaking tasks, assistance shopping for essential items, and escort to Medicaid reimbursable health care services.
- Montana offers two options for personal care services. The first option is referred to as the "agency-based" program, as enrolled provider agencies manage the services on behalf of the consumer. The provider agency must employ a licensed nurse to oversee the training and supervision of all direct care attendants and monitor the consumer's plan of care. The upper limit is 40 hours of assistance per week
- The second personal assistance service option is referred to as the "self-direct" program. As a result of grass roots legislative efforts, Montana launched the Self-Direct Personal Assistance Program in October 1995. The program is designed to allow consumers to hire, train, manage, schedule and discharge their attendants. Consumers must demonstrate capacity to manage their care or have a personal representative manage their care.
- With either option the personal assistance provider agency must review all direct care attendant time sheets prior to billing Medicaid and make home visits to determine the consumer's continuing need for Medicaid Personal Assistance Services and assess the quality of services provided. Personal assistance services are authorized by a contracted 3<sup>rd</sup> party nurse and provider agencies may only bill for the services they deliver within the authorization.
- In June 2008, for the first time in the program's history, the number of consumers in the self-direct option exceeded the number of consumers in the agency-based option. In 2010 54% of consumers were selecting the self-direct service option to receive their personal assistance services.

## **HOSPICE/HOME HEALTH**

**Hospice** is a program that provides health and support services to the terminally ill and their families. This approach to treatment recognizes the patient's impending death and as a result, palliative/comfort care, rather than curative care, is delivered. Services are provided in the recipients' home or for a resident in a nursing facility to augment services being provided by family or other caregivers. In FY 2010 there were 222 people who used the nursing facility room and board benefit through Hospice and 101 people utilized the respite benefit.

- When a person selects hospice, they waive all Medicaid benefits related to curative care.
- Hospice service package includes the following when delivered in direct relationship to the terminal condition: nursing, medical social services, physician services, bereavement

counseling, dietary consult, inpatient care for acute pain, family respite, nursing facility room and board, durable medical equipment, pharmaceuticals and therapy services

- In fiscal year 2010 hospice expenditures were approximately \$3.9 million.

**Home Health** services are medically necessary nursing and therapy services provided in the residence of Medicaid recipients. Services are designed to be delivered on a part time or intermittent basis to prevent or delay institutionalization. In fiscal year 2010, 410 people utilized home health services. These services include skilled nursing, home health aides, physical therapy, occupational therapy, and speech therapy. The program also covers medical supplies and minor equipment used in the home in conjunction with the delivery of services. These services must be ordered by a physician and provided by a licensed and certified home health agency. Home health expenditures for fiscal year 2010 were approximately \$570,000.

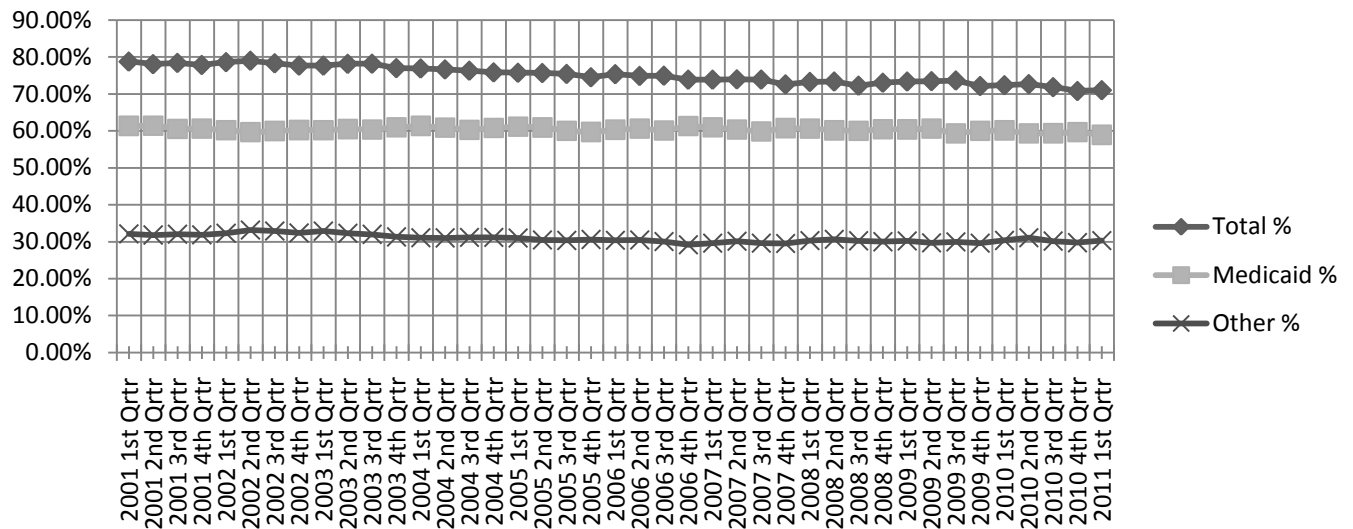
## **NURSING FACILITY SERVICES**

**The Nursing Facility** Program pays for short and long-term nursing care to people who are Medicaid-eligible and in need of that level of care in the 82 Montana nursing facilities across the state. Nursing facilities are located in forty-three (43) of Montana's fifty-six counties, and range in size from fifteen beds (15) in Baker, to two hundred seventy-eight (278) beds in Great Falls. In FY 2010 about 1.1 million Medicaid funded days of nursing facility care were delivered to approximately 4875 Montanans.

- There are about six thousand six hundred fourteen (6614) nursing facility beds in Montana. At any one time about seventy-two percent (72%) of nursing facility beds in the state are occupied.
- Medicaid pays for about sixty percent (60%) of all nursing facility services, private payers thirty percent (30%) and Medicare/Other the remaining ten percent (10%).
- Nursing Facilities are the largest portion of the long-term care budget, with total FY 2010 expenditures of almost \$156.4 million dollars when Intergovernmental Fund Transfer (IGT) is included.
- Montana has had an IGT program since 2001, which provides additional financial support to at-risk facilities by utilizing local county revenues as match in the Medicaid program, to augment funding to nursing facilities without the commitment of additional state dollars. These payments are in the form of one-time lump sum payments to non-state governmental owned or operated facilities for Medicaid services and are for the purpose of maintaining access to "at risk" county affiliated facilities who are predominantly rural and are the only nursing facility in their community or county or who provide a significant share of nursing facility services in their county. In addition to the payments to "at risk" county affiliated facilities Montana has a provision to provide smaller lump sum payments to other "at risk" nursing facilities that are not affiliated with counties.
- Occupancy levels in Montana's nursing facilities have fallen by over 9 percent in the last ten years. The occupancy levels seem to have stabilized in recent years and are not continuing to decline at rates that we saw historically.



## Nursing Home Occupancy by Payment Source



### ADULT PROTECTIVE SERVICES

Adult Protective Services (APS) is the department's agency of last resort for all adult guardianships and investigations, intervention and prevention of abuse, neglect and exploitation activities of Montana's seniors and disabled. During fiscal year 2010, APS provided some form of assistance to over 3857 persons across Montana. Adult Protective Services are a mandated service under Montana Law, but expenditures for the program are limited to the appropriation established by the legislature. There are 41.25 adult protective services social workers located across the state who have the duty to investigate allegations of abuse, neglect and exploitation of the elderly and people with disabilities.

- Program also arranges for and coordinates a variety of support services aimed at protecting vulnerable people from abuse, neglect and exploitation including but not limited to:
  - Receiving reports of the abuse, neglect or exploitation of elderly, developmentally disabled and disabled adults;
  - Investigating reports to assess risk to clients;
  - Intervening to stop abuse, neglect or exploitation if it is occurring, including removing the victim from the abuse, neglect and/or exploitation (removal within the meaning of either voluntary protective services or emergency protective services) and balancing the rights of adults with capacity to live independent lives;
  - Coordinating activities among state and county agencies who provide human services and working with law enforcement if there is evidence of suspected criminal activity;
  - Developing a case plan in cooperation with the client, including end of life decision making;

- Arranging for ongoing support services from other state, county and local agencies when appropriate;
- Monitoring services and periodic re-evaluation of potential risk factors;
- Working with tribal entities on protective services for elderly and developmentally disabled populations;
- Educating professionals and the public regarding issues related to the prevention of abuse and neglect of the elderly and developmentally disabled;
- Assuming the role of court-ordered guardian, conservator or surrogate decision maker, as agency of last resort, for those elderly and disabled who are unable to do so themselves;
- Assisting and consulting in the development of prevention programs and entities to provide necessary guardianship/conservatorship to individuals in the least restrictive environment available;
- Providing temporary, emergency assistance, purchased through contingency funds authorized by the legislature, to vulnerable adults in need;
- Total funding spent on services in fiscal year 2010 was \$2,639,157 which is funded at approximately 3% federal funds and 97% state general funds.
- The number of vulnerable people living in Montana communities has grown rapidly over the past few years; the demand for the services provided by APS workers continues to increase. Incidents of exploitation and self-neglect have shown increases with additional demands on resources necessary due to more involvement in investigation and providing services to address the needs for the safety and independence of the victim. Investigations of allegations of abuse, neglect and exploitation have increased from 5,003 in 2008, to 5,527 in 2009 and have remained constant at 5,500 for 2010.

## **VETERANS NURSING FACILITIES**

Nursing facility care is provided to veterans at two state veterans homes in Montana. The State of Montana operates the Montana Veterans Home in Columbia Falls and oversees a contract for the operation of the Eastern Montana Veterans Home in Glendive.

**Montana Veterans Home (MVH)** was established in 1896 and is a one hundred five (105) bed licensed and certified skilled nursing facility, which includes a 15 bed special care unit for Alzheimer or dementia care. The facility provides all of the care that is typically found in any community nursing home. The facility participates in the Medicaid and Medicare programs, and is funded in part by charging members for their care at the facility based on their ability to pay. In addition to the nursing facility, MVH operates a twelve (12) bed domiciliary unit. The “Dom” provides supervision and assistance in a residential setting to Veterans who are able to meet their own self-care needs. Montana veterans are admitted if they are over 55 years of age, or in need of care, and have had active service in the armed forces. Spouses of veterans may also be admitted if “space is available”.

- The facility is currently home for ninety-nine (99) veterans and their spouses. Ninety (90) nursing facility residents and nine (9) residents in the domiciliary live at the facility. Ninety-three (93) residents are male, and six (6) are female, and six (6) residents are the spouses of veterans.
- As of October 1, 2010 the federal Department of Veterans’ Affairs contributed \$94.59 for each day of the nursing home care provided to a veteran and \$38.90 for domiciliary care.



- In FY 2010 the total cost of operation for MVH was \$9.98 million dollars.
- A portion of the funding for the facility comes from cigarette tax state special revenue. Since 1992 there has been a 2-cent per pack cigarette tax, which was designated as revenue to be used to offset the expenses for those veterans at the facility who could not pay full cost. Effective in January 1, 2005, cigarette taxes collected under the provisions of 16-11-111 must, in accordance with the provisions of 15-1-501, be deposited as follows:
  - 8.3% or \$2 million, whichever is greater, in the state special revenue fund to the credit of the department of public health and human services for the operation and maintenance of state veterans' nursing homes;
  - If money in the state special revenue fund for the operation and maintenance of state veterans' nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state general fund.

**Eastern Montana Veterans Home (EMVH)** was built in 1994 and opened its doors for admissions on July 17, 1995. It provides 80 skilled and intermediate nursing home beds, including 16 beds dedicated to Alzheimer or dementia care. As of July 2010 the facility was home to sixty- three (63) Montanans. Fifty-eight (58) residents were male, and five (5) were female. The Senior and Long Term Care Division (SLTCD) contracts for the operations and the management of EMVH. The Glendive Medical Center (GMC) has been the independent contractor responsible for management and operation of the facility since the facility opened its doors in 1995.

- A state employee located on site at the facility is responsible for monitoring contractual compliance and serves as the liaison between the state, the contractor and the veteran's administration.
- The current contract of seven years with GMC was negotiated through a Request for Proposal (RFP) in 2009 for the operation of EMVH.
- The facility's average occupancy at EMVH for 2010 was 68.64 residents (or) an occupancy rate of 85.9%. The average occupancy rate for other nursing facilities in that geographic area of the state was 68.59%.
- The total cost of operation of the Eastern Montana Veterans to the state during FY 2010 was about \$ 2.4 million of state special revenue and federal veterans' per diem payments that are passed through to the contractor for the operation of the facility.
- Currently, the major source of funding at EMVH comes from the federal Veterans Administration. Other sources of funding are Medicare, Medicaid and private pay by veterans.
- As of October 1, 2010 the federal Department of Veterans' Affairs contributes \$94.59 for each day of the nursing home care provided to a veteran.

## **HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2011 BIENNIUM**

### **Health Care for Health Care Workers**

Funding has been available for Health Care for Health Care Workers in the form of a Medicaid provider rate increases when health insurance is provided for direct care workers in personal assistance and private duty nursing programs. The funds must be used to cover premiums for health insurance that meets defined benchmark criteria. In January 1, 2009 the program began with seventeen (17)

Medicaid personal assistance and private duty nursing providers offering comprehensive health insurance coverage and 500 workers initially enrolled.

As of July 1, 2010 nineteen (19) providers have enrolled in the program and they are providing over 670 workers across the state with quality health insurance coverage. Participating agencies were required to offer a health insurance plan that met specific benchmark standards established by the Department.

The monthly premium for which an employee is responsible ranges from \$0-\$25 per month. A majority of the agency's workers pay a \$25/month insurance premium. The range of hours a worker must work to be eligible for health insurance coverage is 20-30 hours per week, depending upon the agency. In January 2011 the Department increased the monthly premium level limit from the limit established in January 2010 of \$500 to \$550.

### **Nursing Home Transition Placements**

The Senior and Long Term Care Division (SLTC) since 2000 has employed a proactive strategy with a “money follows the person” approach to rebalancing the long term care system. This approach identifies nursing facility residents who want to move into community service placements, and for whom appropriate, cost effective, community services could be developed thus allowing them to return to their own homes or move into small residential settings such as Assisted Living Facilities. Since FY 2004, over 230 people have transitioned from nursing facilities into community services; with dollars for services following them from the nursing facility into the community. In fiscal year 2009 a total of 46 people transitioned into community placements. Of the individuals transferred in 2009, 18 were under age 65. In fiscal year 2010 a total of 38 people transitioned into the community, with 21 of these individuals under the age of 65. The SLTCD plans to continue to utilize resources from the nursing facility program budget to fund these community placements under the HCBS waiver.

### **Aging and Disability Resource Centers (ADRCs)**

Over the past two years, the aging network has been expanding Information & Assistance services to include persons with disabilities through the development of Aging and Disability Resource Centers. ADRCs serve as single points of entry into the long-term supports and services system for older adults and people with disabilities. Sometimes referred to as a “one stop shops” or “no wrong door” systems, ADRCs address many of the frustrations consumers and their families experience when trying to find needed information, services, and supports. Through integration or coordination of existing aging and disability service systems, ADRC programs raise visibility about the full range of options that are available, provide objective information, advice, counseling and assistance, empower people to make informed decisions about their long term supports, and help people more easily access public and private long term supports and services programs.

Montana began developing its ADRC model in 2003. The original ADRC site was in Yellowstone County and was developed by the Yellowstone County Council on Aging (YCCOA). Yellowstone County was chosen because it is the most populous county in the state with the most extensive continuum of long term care services. YCCOA was instrumental in setting the foundation of the current ADRC structure. They developed an excellent working relationship with the local Medicaid office that eventually led to the formation of a Memorandum of Understanding (MOU) between the

state Medicaid program and Aging Services. They also developed an extensive staff training program, a strong outreach and media program and assisted in adapting the statewide Management Information System (MIS) to meet ADRC reporting requirements.

In 2006, the state's ADRC coverage was expanded to include all of Area II Agency on Aging (ten frontier counties of Area II and two Native American Reservations in addition to Yellowstone County) and Missoula County in Area XI. In 2009, all four counties in Area VI, Cascade County, Hill County, all six counties in Area IV and Ravalli County became ADRCs. All total of 25 counties are now using the ADRC model. Of the 25 counties that have ADRCs, 17 are frontier, 5 are rural and 3 are urban. Currently, ADRCs serve about half of the state's population, but only cover about a third of its geographic area. To date, AAAs that are wholly frontier have not had the financial or manpower resources to develop ADRCs.

### **Governor's Conference on Aging**

Aging Services Bureau in conjunction with the Governor's Advisory Council on Aging conducts an annual Governor's Conference on Aging. This conference is designed to provide information and education on aging issues to Montana's elders. In order to provide the information to our elders and make it affordable, the Governor's Advisory Council on Aging determined the conference needed to be taken out to the citizens of the State. So in 2009, we began to have 3 smaller conferences rather than one big one. The 2009 conferences were held in Glendive, Browning and Butte. In May, 2010 the conference were held in Polson, Lewistown and Miles City. Attendance over the past two years has more than doubled from about 250 people to about 550.

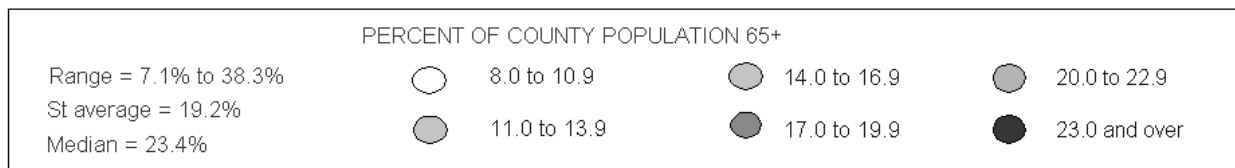
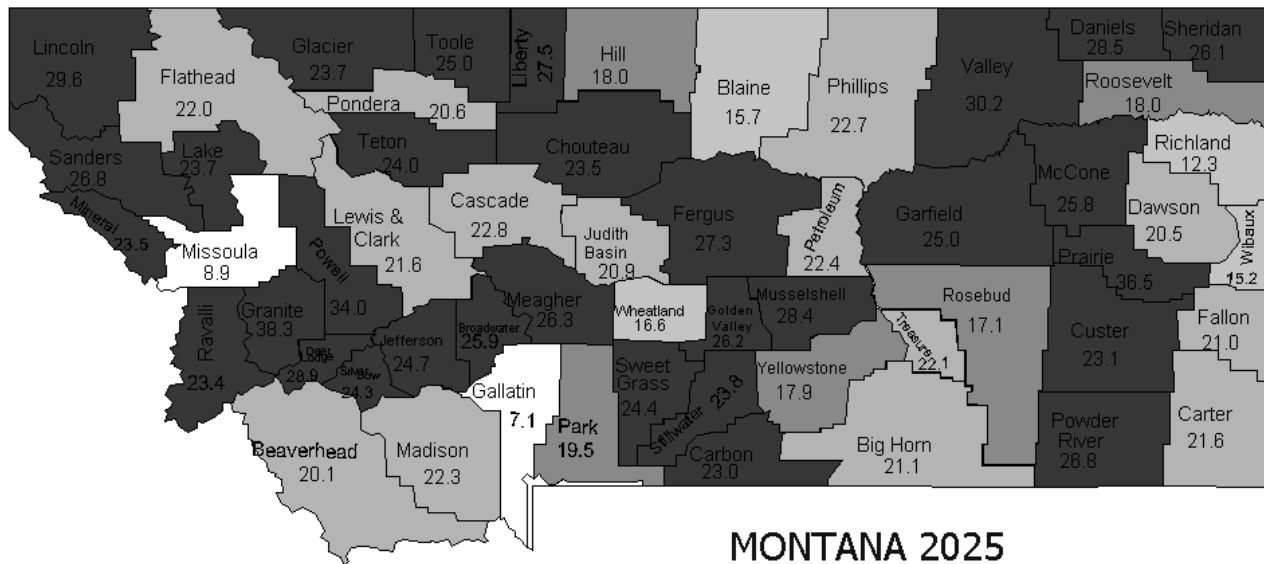
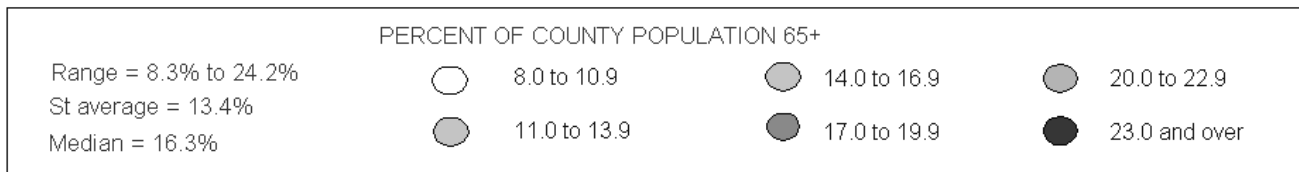
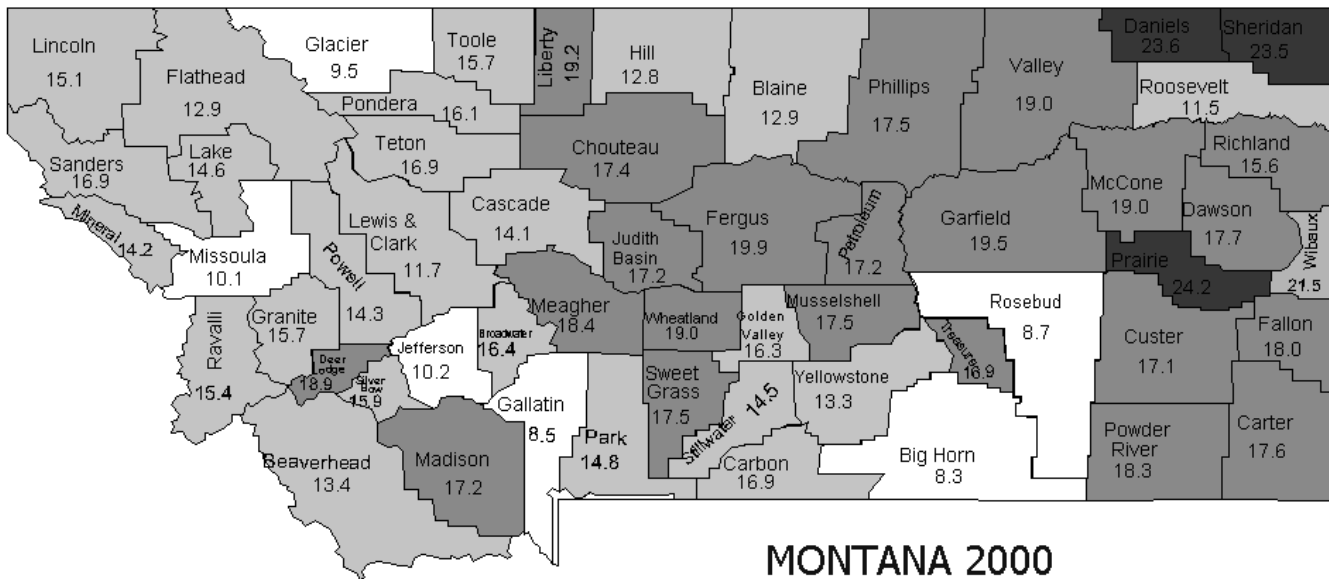
### **House Bill 213-Designation of a Southwestern Montana State Veterans' Home Site**

Division staff coordinated and staffed the Governor appointed site selection committee, in the notification and scheduling of public meetings, development of a web page, establishment of site selection criteria and other supplemental information to assist the committee with the final designation of the site for a Southwestern Montana State Veterans' Home. The site selected is in Butte-Silver Bow County. In accordance with HB 213 for fiscal years ending June 30, 2010 and June 30, 2011, 1.2% of the cigarette taxes collected under the provisions of 16-11-111 will be deposited in the state special revenue fund to the credit of the account established for the construction of the state veterans' home in southwestern Montana. A long range building request is included in the Governor's budget to begin to develop the planning and design work for this new veteran's facility.

### **Aging Demographics**

Montana is aging at a faster rate than most of the other States in the Union. The 2000 U.S. Census showed that Montana's 65 and older population was at 13.4% while the United States is at 12.1%. By 2006, Montana's 65 and older population had increased to 14.0% compared to 12.4% increase for the United States. Moreover, the 2005 census projections indicated that by 2030, Montana is expected to rank 5<sup>th</sup> in the Nation in the percentage of people over the age of 65 at 25.8%. Many rural and frontier communities in Montana are already at or above the 2030 State projection of their population being over age 65. Providing services to meet the needs of Montana's elders will continue to be an issue.

## PERCENTAGE OF 65 YEARS OF AGE AND OLDER BY COUNTY



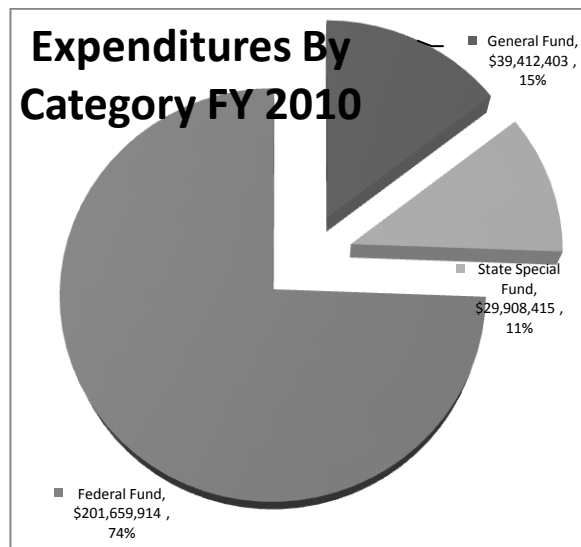
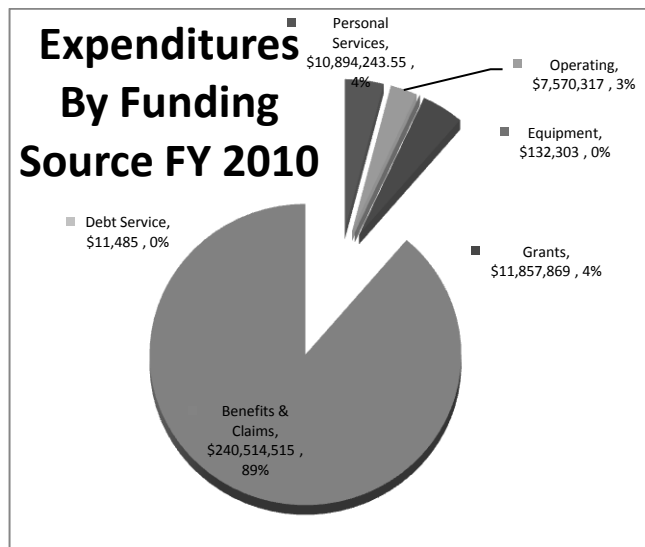
## BIENNIUM GOALS AND OBJECTIVES

| <b>Department of Public Health and Human Services<br/>Senior and Long Term Care Division</b>  |  |
|---|--|
| <b>Goals and Objectives for the 2013 Biennium<br/>Submitted September 1, 2010</b>   |  |
| <b>GOAL: Advocate for and promote dignity and independence for older Montanans and Montanans with disabilities.</b>   |  |
| <b>Objective</b>  | <b>Measurement</b>   |
| Increase the ability of Montanans to prepare to meet their own long term care needs, or the long term care needs of a relative or a friend                            | Maintain a coordinated continuing education program to inform Montanans about long term care issues and options emphasizing the need for planning and personal responsibility  |
| Ensure high quality publicly funded long term care services are available   | Services delivered through Aging and Disability Resource Centers (ADRC's) is expanded.<br><br>The number of home delivered meals and caregivers receiving support services, such as, respite through aging services network is maintained. |
| Support Montanans in their desire to stay in their own homes or live in smaller community based residential settings for as long as possible                          | The number of Montanans age 65 or older who live at home or in small community alternatives is maintained.   |
| Protect senior citizens and people with disabilities who are at risk of abuse, neglect and exploitation while maintaining maximum independence and self-determination | Abuse prevention activities are supported through development of chapters on prevention of elder abuse while reducing state held guardianships.  |
| Develop and provide efficient, effective, high quality nursing facility services to Montana veterans  | Licensure and certification standards for nursing facility services under federal and state, as well as, veterans' administration guidelines, are met.   |

## FUNDING AND FTE INFORMATION

|                           | 2010<br>Actual<br>Expenditures | FY2012<br>Request | Fy2013<br>Request |
|---------------------------|--------------------------------|-------------------|-------------------|
| Senior and Long Term Care |                                |                   |                   |
| FTE                       | 221.04                         | 220.04            | 220.04            |
| Personal Services         | \$ 10,894,243                  | \$ 11,418,974     | \$ 11,416,875     |
| Operating                 | \$ 7,570,317                   | \$ 8,296,305      | \$ 8,318,376      |
| Equipment                 | \$ 132,303                     | \$ 132,303        | \$ 132,303        |
| Grants                    | \$ 11,857,869                  | \$ 8,977,830      | \$ 8,994,341      |
| Benefits & Claims         | \$ 240,514,515                 | \$ 230,669,308    | \$ 232,696,334    |
| Debt Service              | \$ 11,485                      | \$ 11,484         | \$ 11,484         |
| Total Request             | \$ 270,980,732                 | \$ 259,506,204    | \$ 261,569,713    |
| General Fund              | \$ 39,412,403                  | \$ 63,309,257     | \$ 64,650,746     |
| State Special Fund        | \$ 29,908,415                  | \$ 29,437,405     | \$ 29,806,007     |
| Federal Fund              | \$ 201,659,914                 | \$ 166,759,542    | \$ 167,112,960    |
| TOTAL                     | \$ 270,980,732                 | \$ 259,506,204    | \$ 261,569,713    |

### THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR FY 2010 FOR SENIOR AND LONG TERM CARE





## DECISION PACKAGES

### NP 55422 – 4% Personal Services General Fund Budget Reduction

- The Governor has included a 4% reduction in general fund personal services budgets.
- This request eliminates 1.0 FTE and provides for operations reductions in the areas of supplies and materials, contracted services and travel. ( LFD book, pages B-280, 287, 289, 291)

| Fiscal Year    | General Fund | State Special | Federal Funds | Total Request |
|----------------|--------------|---------------|---------------|---------------|
| FY 2012        | \$ (92,641)  | \$ -          | \$ 5,771      | \$ (86,870)   |
| FY2013         | \$ (92,641)  | \$ -          | \$ 6,226      | \$ (86,415)   |
| Biennium Total | \$(185,282)  | \$ -          | \$ 11,997     | \$ (173,285)  |

### NP 55423 – PACE Elimination

- The Program of All-inclusive Care for the Elderly (PACE) program will be permanently removed from the base budget of the Senior and Long Term Care Division.
- There are currently 39 consumers in Montana's PACE program, and six of the consumers will lose services due to the closure of the Livingston site. The PACE Organization cannot continue to offer this service at the current service level. ( LFD book, page B-280)

| Fiscal Year    | General Fund | State Special | Federal Funds  | Total Request  |
|----------------|--------------|---------------|----------------|----------------|
| FY 2012        | \$(314,459)  | \$ -          | \$ (640,983)   | \$ (955,442)   |
| FY2013         | \$(314,459)  | \$ -          | \$ (640,983)   | \$ (955,442)   |
| Biennium Total | \$(628,918)  | \$ -          | \$ (1,281,966) | \$ (1,910,884) |

### PL 22101 – Medicaid Benefits – Nursing Home Caseload

- This request is to recognize the impact of a 1.1% decline in the first year of the biennium and a .85% decline in the second year of the biennium for caseload in the Medicaid funded nursing facility program. ( LFD book, page B-278)

| Fiscal Year    | General Fund | State Special | Federal Funds | Total Request |
|----------------|--------------|---------------|---------------|---------------|
| FY 2012        | \$ 1,575,221 | \$ -          | \$ 8,360,368  | \$ 9,935,589  |
| FY2013         | \$ 1,155,352 | \$ -          | \$ 7,585,433  | \$ 8,740,785  |
| Biennium Total | \$ 2,730,573 | \$ -          | \$ 15,945,801 | \$ 18,676,374 |

**PL 22102 – Nursing Home FMAP Adjustment**

- This decision package is to recognize the change in the federal matching rate (FMAP) for Medicaid funded nursing facility services from the 2010 match rate to .3381 in fiscal year 2012 and .3426 in fiscal year 2013. ( LFD book, page B-278)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b>  | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|-----------------------|----------------------|
| <b>FY 2012</b>        | <b>\$ 1,641,322</b> | <b>\$ -</b>          | <b>\$ (1,641,322)</b> | <b>\$ -</b>          |
| <b>FY2013</b>         | <b>\$ 2,284,394</b> | <b>\$ -</b>          | <b>\$ (2,284,394)</b> |                      |
| <b>Biennium Total</b> | <b>\$ 3,925,716</b> | <b>\$ -</b>          | <b>\$ 3,925,716)</b>  | <b>\$ -</b>          |

**PL 22104 – Medicaid Benefits – Home Based Caseload**

- This request is to recognize the impact of anticipated caseload changes in Medicaid-funded personal assistance, home health and hospice services. ( LFD book, page B-279)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | <b>\$ 1,616,076</b> | <b>\$ -</b>          | <b>\$ 3,163,799</b>  | <b>\$ 4,779,875</b>  |
| <b>FY2013</b>         | <b>\$ 2,393,959</b> | <b>\$ -</b>          | <b>\$ 4,593,662</b>  | <b>\$ 6,987,621</b>  |
| <b>Biennium Total</b> | <b>\$ 4,010,035</b> | <b>\$ -</b>          | <b>\$ 7,757,461</b>  | <b>\$ 11,767,496</b> |

**PL 22105 – Home Based FMAP Adjustment**

- This decision package is to recognize the change in the federal matching rate (FMAP) for Medicaid funded personal assistance, home health and hospice services from the 2010 match rate to .3381 in fiscal year 2012 and .3426 in fiscal year 2013. ( LFD book, page B-279)

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| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b>  | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|-----------------------|----------------------|
| <b>FY 2012</b>        | <b>\$ 426,988</b>   | <b>\$ -</b>          | <b>\$ (426,988)</b>   | <b>\$ -</b>          |
| <b>FY2013</b>         | <b>\$ 598,106</b>   | <b>\$ -</b>          | <b>\$ (598,106)</b>   | <b>\$ -</b>          |
| <b>Biennium Total</b> | <b>\$ 1,025,094</b> | <b>\$ -</b>          | <b>\$ (1,025,094)</b> | <b>\$ -</b>          |

**PL 22107 – Healthcare for Healthcare Workers Funding Annualization**

- This decision package is to annualize the costs associated with Health Care for Health Care Workers program.
- The 2007 legislature appropriated funding to pay health insurance premiums for workers in the personal assistance and private duty nursing programs. In order to receive these funds, a provider agency employing the workers must provide health insurance coverage that meets an established benchmark for all of its employees. This adjustment will continue the coverage of this insurance program at the current level. ( LFD book, page B-279)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ 365,779          | \$ -                 | \$ 716,087           | \$ 1,081,866         |
| <b>FY2013</b>         | \$ 370,647          | \$ -                 | \$ 711,219           | \$ 1,081,866         |
| <b>Biennium Total</b> | \$ 736,426          | \$ -                 | \$ 1,427,306         | \$ 2,163,732         |

**PL 22108 – Healthcare for Healthcare Workers FMAP Adjustment**

- This decision package is to recognize the change in the federal matching rate (FMAP) for the Medicaid funded Health Care for Health Care Workers program from the 2010 match rate to .3381 in fiscal year 2012 and .3426 in fiscal year 2013. ( **LFD book, page B-279**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ 41,032           | \$ -                 | \$ (41,032)          | \$ -                 |
| <b>FY2013</b>         | \$ 57,476           | \$ -                 | \$ (57,476)          | \$ -                 |
| <b>Biennium Total</b> | \$ 98,508           | \$ -                 | \$ (98,508)          | \$ -                 |

**PL 22109 – Medicaid Benefits – Waiver Annualization**

- This decision package is to annualize the cost of nursing home transition placements into community based service settings.
- Approximately 38 individuals transitioned at different times during the year from the nursing facility to home and community based waiver placements resulting in less than a full year of expenditures being recognized in the 2010 base year. ( **LFD book, page B-279**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ 482,551          | \$ -                 | \$ 944,693           | \$ 1,427,244         |
| <b>FY2013</b>         | \$ 488,974          | \$ -                 | \$ 938,270           | \$ 1,427,244         |
| <b>Biennium Total</b> | \$ 971,525          | \$ -                 | \$ 1,882,963         | \$ 2,854,488         |

**PL 22110 – Waiver FMAP Adjustment**

- This decision package is to recognize the change in the federal matching rate (FMAP) for Medicaid funded home and community based waiver services from the 2010 match rate to .3381 in fiscal year 2012 and .3426 in fiscal year 2013. The decrease in general fund is equal to the increase in federal funds. ( **LFD book, page B-279**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ (203,853)        | \$ -                 | \$ 203,853           | \$ -                 |
| <b>FY2013</b>         | \$ (62,804)         | \$ -                 | \$ 62,804            | \$ -                 |
| <b>Biennium Total</b> | \$ (266,657)        | \$ -                 | \$ 266,657           | \$ -                 |

**PL 22112 – Nursing Facility IGT Spending Authority**

- This request reflects the anticipated increase in Nursing Facility Intergovernmental Payments (IGT) between the FY 2010 base and the 2013 biennium. The increased ability to leverage

matching funds between the Medicaid rate and the Medicare upper payment limit (UPL) is anticipated at approximately \$8,005,572 total funds over the biennium, with the state match provided by county governments and none from the general fund.

- This request is for additional spending authority only. ( **LFD book, page B-279**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ -                | \$ 1,181,911         | \$ 2,313,833         | \$ 3,495,744         |
| <b>FY2013</b>         | \$ -                | \$ 1,545,067         | \$ 2,964,761         | \$ 4,509,828         |
| <b>Biennium Total</b> | \$ -                | \$ 2,726,978         | \$ 5,278,594         | \$ 8,005,572         |

**PL 22113 – Montana Veterans Home Restore Overtime and Holidays Worked**

- This request is to fund personal services costs that are removed from the FY 2010 base budget for Montana Veterans' Home (MVH). This includes overtime, differential, holidays worked and doctor on-call pay as necessary costs related to operating a facility with 24 hour staffing.
- This request also includes funding of aggregate positions. Aggregate positions are used to provide coverage for staff on sick leave, vacation leave, and in nurse aide training classes. The total request is for \$1,016,600 of state special revenue over the biennium from cigarette tax revenue dedicated to the Veterans Homes. ( **LFD book, page B-284**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ -                | \$ 508,300           | \$ -                 | \$ 508,300           |
| <b>FY2013</b>         | \$ -                | \$ 508,300           | \$ -                 | \$ 508,300           |
| <b>Biennium Total</b> | \$ -                | \$ 1,016,600         | \$ -                 | \$ 1,016,600         |

**PL 22114 – Montana Veterans Home – Medical and Pharmacy Inflation**

- This decision package requests \$678,370 in state special revenue from cigarette taxes over the biennium to fund inflationary increases in operations, medical and pharmacy costs for the state-run Montana Veterans Home (MVH). ( **LFD book, page B-284**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ -                | \$ 336,312           | \$ -                 | \$ 336,312           |
| <b>FY2013</b>         | \$ -                | \$ 342,058           | \$ -                 | \$ 342,058           |
| <b>Biennium Total</b> | \$ -                | \$ 678,370           | \$ -                 | \$ 678,370           |

**PL 22115 – Increase Federal Authority for Veterans Administration Per Diem Montana Veterans Home**

- This decision package is to request increased federal authority related to the increase in federal veteran's administration per diem rates that will be reimbursed for the domiciliary and nursing facility days of care at the Montana Veterans Home in the 2013 biennium.
- This request is for increased federal authority of \$ 888,062 over the biennium and a reduction from state special revenue from cigarette taxes in the same amount. ( LFD book, page B-284)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ -                | \$ (444,031)         | \$ 444,031           | \$ -                 |
| <b>FY2013</b>         | \$ -                | \$ (444,031)         | \$ 444,031           | \$ -                 |
| <b>Biennium Total</b> | \$ -                | \$ (888,062)         | \$ 888,062           | \$ -                 |

#### **PL 22116 – Increase Federal Authority for Veterans Administration Per Diem Eastern Montana Veterans Home**

- This decision package is a request for increased federal authority for veteran's administration per diem paid for nursing facility days of care at the Eastern Montana Veterans Home. This increase includes \$381,000 that was requested in FY 10 for increased per diem and \$573,881 that is related to the increase in VA per diem for 2011, 2012 and 2013.
- These per diem payments are a pass through cost that is paid to the contractor who is responsible for the operation of the EMVH. Total request is for \$1,909,762 of federal spending authority over the biennium. ( LFD book, page B-284)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ -                | \$ -                 | \$ 954,881           | \$ 954,881           |
| <b>FY2013</b>         | \$ -                | \$ -                 | \$ 954,881           | \$ 954,881           |
| <b>Biennium Total</b> | \$ -                | \$ -                 | \$ 1,909,762         | \$ 1,909,762         |

#### **PL 22117 – Aging Grant Funding**

- This decision package is to recognize the expected increases in federal aging grants for community aging services such as ombudsman, Title III nutrition programs and SHIP. Request is for \$576,903 of federal funds over the biennium and would augment contracts with Area Agencies on Aging. ( LFD book, page B-286)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ -                | \$ -                 | \$ 280,196           | \$ 280,196           |
| <b>FY2013</b>         | \$ -                | \$ -                 | \$ 296,707           | \$ 296,707           |
| <b>Biennium Total</b> | \$ -                | \$ -                 | \$ 576,903           | \$ 576,903           |

#### **PL 22118 – State Supplement Growth**

- This decision package is to increase general fund by \$18,162 over the biennium for growth of approximately 10 people in State Supplement Program. These increases are expected to come from children in foster homes and a small number of individuals moving into DD group homes.
- These payments are made to SSI eligible individuals who reside in designated residential care facilities, such as community homes for persons with developmental disabilities, adult foster homes or assisted living facilities. ( **LFD book, page B-286**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ 9,081            | \$ -                 | \$ -                 | \$ 9,081             |
| <b>FY2013</b>         | \$ 9,081            | \$ -                 | \$ -                 | \$ 9,081             |
| <b>Biennium Total</b> | \$ 18,162           | \$ -                 | \$ -                 | \$ 18,162            |

#### **PL 22119 – Motor Pool Car Request**

- This decision package is a request to exchange three department-owned cars for three motor pool leased cars that are used by field staff in adult protective services.
- The department owned cars are high mileage and in need of increased maintenance and repairs due to age. ( **LFD book, page B-291**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ 27,668           | \$ -                 | \$ 1,003             | \$ 28,671            |
| <b>FY2013</b>         | \$ 27,668           | \$ -                 | \$ 1,003             | \$ 28,671            |
| <b>Biennium Total</b> | \$ 55,336           | \$ -                 | \$ 2,006             | \$ 57,342            |

#### **PL 22120-Non D of A Rent Adjustment**

- This present law adjustment requests funding to pay the leases on non-state owned buildings.
- Reductions due to the Governor's lease negotiations as well as lease increases that could not be reduced were factored into this calculation. ( **LFD book, page B-289**)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ 27,150           | \$ -                 | \$ 3,233             | \$ 30,383            |
| <b>FY2013</b>         | \$ 30,271           | \$ -                 | \$ 3,842             | \$ 34,113            |
| <b>Biennium Total</b> | \$ 57,421           | \$ -                 | \$ 7,075             | \$ 64,496            |



**PL 55140 - 17-7-140 Reductions-SLTC Operations Efficiencies**

- This decision package reduces the general fund and state special revenue base budget to annualize and make permanent the 17-7-140, MCA, 5% budget reduction put in place in the 2011 biennium.
- The Senior and Long Term Care Division will make operating reductions through efficiencies in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting. The request is for a general fund reduction of \$33,982 in each year of the biennium. ( LFD book, page B-279, 286, 289, 291)

| <b>Fiscal Year</b>    | <b>General Fund</b> | <b>State Special</b> | <b>Federal Funds</b> | <b>Total Request</b> |
|-----------------------|---------------------|----------------------|----------------------|----------------------|
| <b>FY 2012</b>        | \$ (33,982)         | \$ -                 | \$ -                 | \$ (33,982)          |
| <b>FY2013</b>         | \$ (33,982)         | \$ -                 | \$ -                 | \$ (33,982)          |
| <b>Biennium Total</b> | \$ (67,964)         | \$ -                 | \$ -                 | \$ (67,964)          |

**LEGISLATION**

The Division has no pending or requested legislation.

**HB2 LANGUAGE RECOMMENDATIONS**

County Nursing Home Intergovernmental Transfer (IGT) DP 22112 may be used as one-time only payments to nursing homes based on the number of Medicaid services provided. State special revenue in County Nursing Home IGT may be expended only after the Office of Budget and Program Planning has certified that the department has collected from these participating counties the amount necessary to make one-time payments to nursing homes and to fund the base budget in the nursing facility program and the community services program at the level of \$829,969.

**HB4 LONG RANGE BUILDING PROGRAM**

The Division has a long range building proposal to utilize up to \$475,000 of the funds deposited for preliminary planning and design work related to the Southwestern Montana State Veterans' Home project. The expectation is that the State will pursue a federal VA construction grant that will provide 65% of the cost of construction with the State providing the remaining 35% of the estimated total cost of construction which is approximately \$14 million dollars.